

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

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Appellant ..... Microsoft Corp.  
Group Art Unit ..... 3621  
Examiner ..... Agwumezie, Charles C.  
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Title: Persistent License for Stored Content

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### **REPLY OF APPELLANT**

This is a reply to the Examiner's Supplemental Answer Dated December 9, 2008.

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### **STATUS OF CLAIMS**

Claims 1-42 are pending and are the subject of this appeal.

**GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

1. Claims 1-21 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
2. Claims 1-42 stand rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Pub. No. 2003/0028488 to Mohammed *et al.* (hereinafter “Mohammed”).

## **ARGUMENT**

In the arguments below, Appellant first addresses the rejections under 35 U.S.C. § 101, and then addresses the rejections under 35 U.S.C. § 102(e).

### **Rejections under § 101**

Claims 1-21 satisfy the requirements of 35 U.S.C. § 101 and therefore are not directed to non-statutory subject matter. Regarding claims 1-21, the Examiner asserts the following which was excerpted from page 17 of the Examiner's Supplemental Answer dated December 9, 2008 (Supplemental Answer):

Claims 1-21 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent<sup>1</sup> and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008) (en banc).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

Under the test noted by the Examiner, claims 1-21 are drawn to subject matter which is clearly statutory.

**Claim 1**, for instance, is clearly tied to another statutory class (*e.g.*, a machine or apparatus). In making the § 101 rejection, the Examiner suggests on pages 17 and 18 of the Supplemental Answer, that a claim which positively recites the “machine” that accomplishes the method steps is “tied to another statutory class”. Indeed, claim 1 recites

“forming a request by a client to access encrypted content” and “the request includes a persistent license *for communication to a licensing server*”. Further, consider the following discussion of the “client” and the “licensing server”, which was excerpted from Appellant’s specification:

FIG. 1 is an illustration of an exemplary implementation showing an environment 100 in which content is communicated from a content provider 102 to a client 104 over a network 106. The client 104 may be configured in a variety of ways. For example, the *client 104* may be configured *as a computer* that is capable of communicating over the network 106, *such as a desktop computer, a mobile station, an entertainment appliance, a set-top box 108* communicatively coupled to a display device 110 as illustrated, *a wireless phone*, and so forth. The client 104 may range from *a full resource device with substantial memory and processor resources* (e.g., television enabled personal computers, television recorders equipped with hard disk) *to a low-resource device with limited memory and/or processing resources* (e.g., traditional set-top boxes). *Appellant’s Specification, paragraph 23* (emphasis added).

The *licensing server* 126 also *includes a processor 214 and memory 216*. The licensing module 128 is illustrated as being executed on the processor 214 and is storable in memory 216. *Appellant’s Specification, paragraph 32* (emphasis added).

In light of this discussion, an interpretation that the claims are not tied to a machine, goes well beyond a broad reading of the terms “forming a request by a client to access encrypted content” and “the request includes a persistent license *for communication to a licensing server*” and is thus erroneous. The Examiner’s assertion found on page 18 of the Supplemental Answer that “the claims fail prong (1) because the mental steps are not tied to a machine and can be performed without the use of a particular machine” is therefore plainly wrong.

Accordingly, and in view of the language of the claims and the description in the specification, Appellant respectfully submits that claim 1 satisfies the requirements of § 101 and therefore, is allowable for at least this reason.

In any event, Appellant submits that the Examiner has failed to establish a *prima facie* rejection under 35 U.S.C. § 101. Although claim 1 is “tied to a machine” and is therefore statutory, mere application of the Machine-or-Transformation Test by itself is insufficient to make a *prima facie* rejection under 35 U.S.C. § 101. In its memo to Examiners regarding *Bilski*, the Office correctly noted that the Supreme Court stated that the Machine-or-Transformation Test is a “useful and important clue” for determining whether claims recite patentable subject matter (see Slip Opinion dated June 28, 2010, entitled *Bernard L. Bilski and Rand A. Warsaw, Petitioners v. David J. Kappos, Under Secretary of Commerce for Intellectual Property and Director, Patent and Trademark Office*, 561 U.S. \_\_\_\_ (2010), Slip Op. at 8). This statement is certainly not dispositive that claims that allegedly fail the Machine-or-Transformation Test ***do not*** recite patentable subject matter.

As stated by the Supreme Court, “[a]dopting the machine-or-transformation test as the sole test for what constitutes a “process” (as opposed to just an important and useful clue) violates these statutory interpretation principles” (Slip Op. at 6-7) (emphasis added). Rather, the only way the Office can meet its burden for rejecting claims under 35 U.S.C. § 101 is to demonstrate that the claims are directed to an abstract idea, a law of nature, or natural phenomena. These are the only classes of subject matter explicitly forbidden by the Supreme Court as not being patent-eligible. The Supreme

Court overruled the Machine-or-Transformation Test as the sole test for determining patentable subject matter, so the application of the Machine-or-Transformation Test to allegedly pass the burden to Appellants to demonstrate patentable subject matter is insufficient.

Thus, mere application of the Machine-or-Transformation Test is insufficient to establish a *prima facie* rejection under 35 U.S.C. § 101 and further, claim 1 recites patentable subject matter that is not directed to abstract ideas, laws of nature, or physical phenomena. Therefore, it is respectfully submitted that claim 1 is allowable for these additional reasons.

**Claims 2-10** depend either directly or indirectly from claim 1 and are allowable at least for the reason that they depend from an allowable base claim.

**Claim 11** is allowable based on similar reasoning previously mentioned with respect to claim 1. In particular, claim 11 recites “*forming a request by a client for communication to a licensing server*,” wherein the request is for storing encrypted content by the client”, “*receiving a persistent license at the client* in response to the request”, “the key is configured to be decrypted *by the licensing server*”, and “*storing the persistent license and the encrypted content by the client*”. With regards to claim 11, the Examiner’s assertion that “the claims fail prong (1) because the mental steps are not tied to a machine” is plainly wrong. In view of the language of the claims and the description in the specification, Appellant respectfully submits that claim 11 satisfies the requirements of § 101 and therefore, is allowable for at least this reason. In



any event, Appellant submits that the Examiner has failed to establish a *prima facie* rejection under § 101. Therefore, claim 11 is allowable for this additional reason.

**Claims 12-16** depend either directly or indirectly from claim 11 and are allowable at least for the reason that they depend from an allowable base claim.

**Claim 17** is allowable based on similar reasoning previously mentioned with respect to claim 1. In particular, claim 17 recites “a first request for communication to a licensing server”, and sending a second request “to the licensing server”. With regards to claim 17, the Examiner’s assertion that “the claims fail prong (1) because the mental steps are not tied to a machine” is plainly wrong. In view of the language of the claims and the description in the specification, Appellant respectfully submits that claim 17 satisfies the requirements of § 101 and therefore, is allowable for at least this reason. In any event, Appellant submits that the Examiner has failed to establish a *prima facie* rejection under § 101. Therefore, claim 17 is allowable for this additional reason.

**Claim 18** depends either directly or indirectly from claim 17 and is allowable as depending from an allowable base claim. In addition, claim 18 recites wherein the forming of “the first request is *performed by a first client*” and “the second request is *performed by a second client*” and therefore, satisfies the requirements of § 101. Accordingly, claim 18 is allowable for this additional reason.

**Claim 19** depends either directly or indirectly from claim 17 and is allowable as depending from an allowable base claim. In addition, claim 19 recites wherein “the first and second requests *are formed by a client*” and therefore, satisfies the requirements of § 101. Accordingly, claim 19 is allowable for this additional reason.

**Claims 20 and 21** depend either directly or indirectly from claim 17 and are allowable at least for the reason that they depend from an allowable base claim.

**Rejections under § 102**

Appellant maintains the positions set forth in the Reply Brief dated August 29, 2007 (“Reply Brief”), and respectfully submits that pending claims 1-42 satisfy the requirements of 35 U.S.C. § 102(e) and therefore are not unpatentable over Mohammed. In the Supplemental Answer, the Office has maintained its rejections of claims 1-42 asserted in the Examiner’s Answer dated July 9, 2007 (“Examiner’s Answer”). In articulating the rejections, the Office has generally restated its rejections presented in the Examiner’s Answer. With respect to its previously stated rejections, Appellant addressed these rejections at length in the Reply Brief and in the interest of brevity, will not restate Appellant’s arguments herein. As such, Appellant maintains the arguments presented in the Reply Brief and submits that, at least for those reasons, claims 1-42 are allowable.

### **Conclusion**

The Appellant respectfully considers this application to be in condition for allowance and respectfully requests the Board to overturn the final rejection and that the Examiner pass this application to allowance.

Respectfully submitted,

Dated: August 25, 2011

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